



## Guidelines For Estimating Crop Production Costs - 2001

### Information Update

DATE: January, 2001

These projected crop costs have been prepared to assist in developing your own production costs. The budgets assume continuous cropping.

The cash cost inputs associated with growing a crop in Manitoba are substantial. It is extremely important for farm managers to do detailed calculations if they are to select the optimum crop combination that will maximize profits. Detailed planning is necessary when estimating the amount of operating credit required to finance the inputs. The importance of good financial management can be emphasized by noting that a 1200 acre (485 hectare) farm requires somewhere in the vicinity of \$140,000 for cash inputs alone.

The following budgets are estimates of the cost of producing several different crops. General departmental recommendations are assumed in using fertilizers and chemical inputs. The figures provide an economic evaluation of the crops and estimate the yields required to cover all costs including labour, and investment. Management has not been accounted for in these enterprise budgets.

To estimate a cash flow budget the actual payments on principal and interest may be substituted for the fixed costs. As well, an estimate has to be made to cover family living expenses, funds required for capital purchases and cost adjustments for livestock enterprises on the farm.

These budgets may be adjusted by putting in your own figures. As a producer you are encouraged to calculate your own costs of production for various crops. On each farm, costs and yields differ due to soil type, climatic conditions, and agronomic practices.

**Crop Production Costs 2001 Guidelines (Dollars Per Acre)**

|                                    | <b>Wheat</b>    | <b>Barley</b>   | <b>Canola</b>   | <b>Flax</b>     | <b>Oats</b>     |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>A. Operating Costs</b>          |                 |                 |                 |                 |                 |
| Seed & Treatment                   | \$11.05         | \$7.44          | \$19.50         | \$7.71          | \$10.63         |
| Fertilizer                         | \$28.14         | \$28.14         | \$33.45         | \$24.60         | \$25.95         |
| Herbicide                          | \$23.50         | \$20.00         | \$24.00         | \$25.00         | \$6.00          |
| Fungicide                          | \$8.50          | \$0.00          | \$25.00         | \$0.00          | \$0.00          |
| Insecticide                        | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          |
| Fuel                               | \$12.50         | \$12.50         | \$12.50         | \$12.50         | \$12.50         |
| Machinery Operating                | \$10.00         | \$10.00         | \$10.00         | \$10.00         | \$10.00         |
| Crop Insurance                     | \$5.20          | \$4.30          | \$7.90          | \$4.90          | \$5.00          |
| Other Costs                        | \$7.50          | \$7.50          | \$7.50          | \$7.50          | \$7.50          |
| Land Taxes                         | \$6.00          | \$6.00          | \$6.00          | \$6.00          | \$6.00          |
| Drying Costs                       | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          |
| Interest on Operating              | <u>\$4.92</u>   | <u>\$4.19</u>   | <u>\$6.38</u>   | <u>\$4.30</u>   | <u>\$3.66</u>   |
| <b>Total Operating</b>             | <b>\$117.31</b> | <b>\$100.07</b> | <b>\$152.23</b> | <b>\$102.51</b> | <b>\$87.24</b>  |
| <b>B. Fixed Costs</b>              |                 |                 |                 |                 |                 |
| Land Investment Costs              | \$22.50         | \$22.50         | \$22.50         | \$22.50         | \$22.50         |
| Machinery Depreciation             | \$20.00         | \$20.00         | \$20.00         | \$20.00         | \$20.00         |
| Machinery Investment               | \$10.00         | \$10.00         | \$10.00         | \$10.00         | \$10.00         |
| Storage Costs                      | <u>\$2.32</u>   | <u>\$2.32</u>   | <u>\$2.32</u>   | <u>\$2.32</u>   | <u>\$2.32</u>   |
| <b>Total Fixed</b>                 | <b>\$54.82</b>  | <b>\$54.82</b>  | <b>\$54.82</b>  | <b>\$54.82</b>  | <b>\$54.82</b>  |
| <b>Total Operating &amp; Fixed</b> | <b>\$172.13</b> | <b>\$154.89</b> | <b>\$207.05</b> | <b>\$157.33</b> | <b>\$142.06</b> |
| <b>C. Labour</b>                   | \$15.00         | \$15.00         | \$15.00         | \$15.00         | \$15.00         |
| <b>Total Costs</b>                 | <b>\$187.13</b> | <b>\$169.89</b> | <b>\$222.05</b> | <b>\$172.33</b> | <b>\$157.06</b> |

**Estimated Farmgate Price**

|              |           |           |           |           |           |
|--------------|-----------|-----------|-----------|-----------|-----------|
| \$ per unit  | \$4.50 bu | \$2.15 bu | \$5.70 bu | \$5.90 bu | \$1.80 bu |
| \$ per tonne | \$165 t   | \$99 t    | \$251 t   | \$232 t   | \$117 t   |

**Breakeven Analysis****Breakeven Yield**

|                         |                |                |                |                |                |
|-------------------------|----------------|----------------|----------------|----------------|----------------|
| Operating Costs         | 26.1 bu        | 46.5 bu        | 26.7 bu        | 17.4 bu        | 48.5 bu        |
| Operating & Fixed Costs | 38.3 bu        | 72.0 bu        | 36.3 bu        | 26.7 bu        | 78.9 bu        |
| <b>Total Costs</b>      | <b>41.6 bu</b> | <b>79.0 bu</b> | <b>39.0 bu</b> | <b>29.2 bu</b> | <b>87.3 bu</b> |

## Crop Production Costs 2001 Guidelines (Dollars Per Acre)

| Corn            | Confection<br>Sunflowers | Peas            | Lentils         | Buckwheat       | Your Farm |
|-----------------|--------------------------|-----------------|-----------------|-----------------|-----------|
| \$34.50         | \$21.00                  | \$17.88         | \$12.80         | \$11.00         | _____     |
| \$43.20         | \$33.70                  | \$15.90         | \$17.30         | \$28.70         | _____     |
| \$27.50         | \$40.00                  | \$26.00         | \$26.00         | \$20.00         | _____     |
| \$0.00          | \$0.00                   | \$0.00          | \$25.00         | \$0.00          | _____     |
| \$0.00          | \$8.00                   | \$0.00          | \$0.00          | \$0.00          | _____     |
| \$17.00         | \$13.00                  | \$14.50         | \$13.50         | \$12.50         | _____     |
| \$13.00         | \$11.00                  | \$10.50         | \$11.00         | \$10.00         | _____     |
| \$7.20          | \$6.50                   | \$5.25          | \$8.70          | \$9.70          | _____     |
| \$8.00          | \$8.00                   | \$8.00          | \$7.50          | \$7.50          | _____     |
| \$8.00          | \$6.00                   | \$6.00          | \$6.00          | \$6.00          | _____     |
| \$23.00         | \$6.00                   | \$0.00          | \$0.00          | \$0.00          | _____     |
| \$7.94          | \$6.70                   | \$4.55          | \$5.59          | \$4.61          | _____     |
| <b>\$189.34</b> | <b>\$159.90</b>          | <b>\$108.58</b> | <b>\$133.39</b> | <b>\$110.01</b> | _____     |
|                 |                          |                 |                 |                 |           |
| \$32.50         | \$22.50                  | \$22.50         | \$22.50         | \$22.50         | _____     |
| \$25.00         | \$20.00                  | \$20.00         | \$20.00         | \$20.00         | _____     |
| \$12.50         | \$10.00                  | \$10.00         | \$10.00         | \$10.00         | _____     |
| \$4.64          | \$2.32                   | \$2.32          | \$2.32          | \$2.32          | _____     |
| <b>\$74.64</b>  | <b>\$54.82</b>           | <b>\$54.82</b>  | <b>\$54.82</b>  | <b>\$54.82</b>  | _____     |
| <b>\$263.98</b> | <b>\$214.72</b>          | <b>\$163.40</b> | <b>\$188.21</b> | <b>\$164.83</b> | _____     |
|                 |                          |                 |                 |                 |           |
| \$15.00         | \$15.00                  | \$15.00         | \$15.00         | \$15.00         | _____     |
| <b>\$278.98</b> | <b>\$229.72</b>          | <b>\$178.40</b> | <b>\$203.21</b> | <b>\$179.83</b> | _____     |
|                 |                          |                 |                 |                 |           |
| \$3.00 bu       | \$0.16 lb                | \$3.50 bu       | \$0.17 lb       | \$7.00 bu       | _____     |
| \$118 t         | \$353 t                  | \$129 t         | \$375 t         | \$322 t         | _____     |
|                 |                          |                 |                 |                 |           |
| 63.1 bu         | 999 lb                   | 31.0 bu         | 785 lb          | 15.7 bu         | _____     |
| 88.0 bu         | 1342 lb                  | 46.7 bu         | 1107 lb         | 23.5 bu         | _____     |
| <b>93.0 bu</b>  | <b>1436 lb</b>           | <b>51.0 bu</b>  | <b>1195 lb</b>  | <b>25.7 bu</b>  | _____     |

**Crop Production Costs 2001 Guidelines (Dollars Per Hectare)**

|                                    | <b>Wheat</b>    | <b>Barley</b>   | <b>Canola</b>   | <b>Flax</b>     | <b>Oats</b>     |
|------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| <b>A. Operating Costs</b>          |                 |                 |                 |                 |                 |
| Seed & Treatment                   | \$27.36         | \$18.80         | \$50.19         | \$19.35         | \$26.69         |
| Fertilizer                         | \$69.74         | \$69.74         | \$83.75         | \$61.28         | \$64.88         |
| Herbicide                          | \$58.07         | \$49.42         | \$59.30         | \$61.78         | \$14.83         |
| Fungicide                          | \$21.00         | \$0.00          | \$61.78         | \$0.00          | \$0.00          |
| Insecticide                        | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          |
| Fuel                               | \$30.89         | \$30.89         | \$30.89         | \$30.89         | \$30.89         |
| Machinery Operating                | \$24.71         | \$24.71         | \$24.71         | \$24.71         | \$24.71         |
| Crop Insurance                     | \$12.85         | \$10.63         | \$19.52         | \$12.11         | \$12.36         |
| Other Costs                        | \$18.53         | \$18.53         | \$18.53         | \$18.53         | \$18.53         |
| Land Taxes                         | \$14.83         | \$14.83         | \$14.83         | \$14.83         | \$14.83         |
| Drying Costs                       | \$0.00          | \$0.00          | \$0.00          | \$0.00          | \$0.00          |
| Interest on Operating              | <u>\$12.16</u>  | <u>\$10.39</u>  | <u>\$15.90</u>  | <u>\$10.65</u>  | <u>\$9.09</u>   |
| <b>Total Operating Costs</b>       | <b>\$290.14</b> | <b>\$247.94</b> | <b>\$379.40</b> | <b>\$254.13</b> | <b>\$216.81</b> |
| <b>B. Fixed Costs</b>              |                 |                 |                 |                 |                 |
| Land Investment Costs              | \$55.60         | \$55.60         | \$55.60         | \$55.60         | \$55.60         |
| Machinery Depreciation             | \$49.42         | \$49.42         | \$49.42         | \$49.42         | \$49.42         |
| Machinery Investment               | \$24.71         | \$24.71         | \$24.71         | \$24.71         | \$24.71         |
| Storage Costs                      | <u>\$5.73</u>   | <u>\$5.73</u>   | <u>\$5.73</u>   | <u>\$5.73</u>   | <u>\$5.73</u>   |
| <b>Total Fixed Costs</b>           | <b>\$135.46</b> | <b>\$135.46</b> | <b>\$135.46</b> | <b>\$135.46</b> | <b>\$135.46</b> |
| <b>Total Operating &amp; Fixed</b> | <b>\$425.60</b> | <b>\$383.40</b> | <b>\$514.86</b> | <b>\$389.59</b> | <b>\$352.27</b> |
| <b>C. Labour</b>                   |                 |                 |                 |                 |                 |
|                                    | \$37.00         | \$37.00         | \$37.00         | \$37.00         | \$37.00         |
| <b>Total Costs</b>                 | <b>\$462.60</b> | <b>\$420.40</b> | <b>\$551.86</b> | <b>\$426.59</b> | <b>\$389.27</b> |
| <b>Breakeven Analysis</b>          |                 |                 |                 |                 |                 |
| <b>Estimated Price/Tonne</b>       | \$165.00        | \$99.00         | \$251.00        | \$232.00        | \$117.00        |
| <b>Breakeven Yield</b>             |                 |                 |                 |                 |                 |
| Operating Costs                    | 1.758 t         | 2.504 t         | 1.512 t         | 1.095 t         | 1.853 t         |
| Operating & Fixed Costs            | 2.58 t          | 3.873 t         | 2.051 t         | 1.679 t         | 3.011 t         |
| <b>Total Costs</b>                 | <b>2.804 t</b>  | <b>4.246 t</b>  | <b>2.199 t</b>  | <b>1.839 t</b>  | <b>3.327 t</b>  |

## Crop Production Costs 2001 Guidelines (Dollars Per Hectare)

| Corn            | Confection<br>Sunflowers | Peas            | Lentils         | Buckwheat       | Your Farm |
|-----------------|--------------------------|-----------------|-----------------|-----------------|-----------|
| \$85.25         | \$51.88                  | \$43.68         | \$31.95         | \$27.54         | _____     |
| \$107.61        | \$83.19                  | \$39.95         | \$43.05         | \$71.58         | _____     |
| \$67.95         | \$98.84                  | \$64.25         | \$64.25         | \$49.42         | _____     |
| \$0.00          | \$0.00                   | \$0.00          | \$61.78         | \$0.00          | _____     |
| \$0.00          | \$19.77                  | \$0.00          | \$0.00          | \$0.00          | _____     |
| \$42.01         | \$32.12                  | \$35.83         | \$33.36         | \$30.89         | _____     |
| \$32.12         | \$27.18                  | \$25.95         | \$27.18         | \$24.71         | _____     |
| \$17.79         | \$16.06                  | \$12.97         | \$21.50         | \$23.97         | _____     |
| \$19.77         | \$19.77                  | \$19.77         | \$18.53         | \$18.53         | _____     |
| \$19.77         | \$14.83                  | \$14.83         | \$14.83         | \$14.83         | _____     |
| \$56.83         | \$14.83                  | \$0.00          | \$0.00          | \$0.00          | _____     |
| \$19.65         | \$16.56                  | \$11.25         | \$13.84         | \$11.44         | _____     |
| <b>\$468.75</b> | <b>\$395.03</b>          | <b>\$268.48</b> | <b>\$330.27</b> | <b>\$272.91</b> | _____     |
| <br>            |                          |                 |                 |                 |           |
| \$80.31         | \$55.60                  | \$55.60         | \$55.60         | \$55.60         | _____     |
| \$61.78         | \$49.42                  | \$49.42         | \$49.42         | \$49.42         | _____     |
| \$30.89         | \$24.71                  | \$24.71         | \$24.71         | \$24.71         | _____     |
| \$11.47         | \$5.73                   | \$5.73          | \$5.73          | \$5.73          | _____     |
| <b>\$184.45</b> | <b>\$135.46</b>          | <b>\$135.46</b> | <b>\$135.46</b> | <b>\$135.46</b> | _____     |
| <b>\$653.20</b> | <b>\$530.49</b>          | <b>\$403.94</b> | <b>\$465.73</b> | <b>\$408.37</b> | _____     |
| <br>            |                          |                 |                 |                 |           |
| \$37.00         | \$37.00                  | \$37.00         | \$37.00         | \$37.00         | _____     |
| <br>            |                          |                 |                 |                 |           |
| <b>\$690.20</b> | <b>\$567.49</b>          | <b>\$440.94</b> | <b>\$502.73</b> | <b>\$445.37</b> | _____     |
| <br>            |                          |                 |                 |                 |           |
| \$118.00        | \$353.00                 | \$129.00        | \$375.00        | \$322.00        | _____     |
| <br>            |                          |                 |                 |                 |           |
| 3.972 t         | 1.119 t                  | 2.081 t         | 0.881 t         | 0.848 t         | _____     |
| 5.536 t         | 1.503 t                  | 3.131 t         | 1.242 t         | 1.268 t         | _____     |
| <b>5.849 t</b>  | <b>1.608 t</b>           | <b>3.418 t</b>  | <b>1.341 t</b>  | <b>1.383 t</b>  | _____     |

### Seed & Treatment Per Acre

| <u>Crop</u> | <u>Seeding Rate<br/>per Acre</u> | <u>Price<br/>per Unit</u> | <u>Cost<br/>per Acre</u> |
|-------------|----------------------------------|---------------------------|--------------------------|
| Wheat       | 1.7 bu                           | \$6.50 /bu                | \$11.05                  |
| Barley      | 1.75 bu                          | \$4.25 /bu                | \$7.44                   |
| Canola      | 6 lb                             | \$3.25 /lb                | \$19.50                  |
| Flaxseed    | 40 lb                            | \$0.19 /lb                | \$7.71                   |
| Oats        | 2.5 bu                           | \$4.25 /bu                | \$10.63                  |
| Corn        | 23,000 plants                    | \$0.0015 /plant           | \$34.50                  |
| Sunflowers  | 19,000 plants                    | \$0.0011 /plant           | \$21.00                  |
| Peas        | 2.5 bu                           | \$7.15 /bu                | \$17.88                  |
| Lentils     | 40 lb                            | \$0.32 /lb                | \$12.80                  |
| Buckwheat   | 1 bu                             | \$11.00 /bu               | \$11.00                  |

### Per Hectare

| <u>Crop</u> | <u>Seeding Rate<br/>per Hectare</u> | <u>Price<br/>per Unit</u> | <u>Cost<br/>per Hectare</u> |
|-------------|-------------------------------------|---------------------------|-----------------------------|
| Wheat       | 114 kg                              | \$0.24 /kg                | \$27.36                     |
| Barley      | 94 kg                               | \$0.20 /kg                | \$18.80                     |
| Canola      | 7 kg                                | \$7.17 /kg                | \$50.19                     |
| Flaxseed    | 45 kg                               | \$0.43 /kg                | \$19.35                     |
| Oats        | 157 kg                              | \$0.17 /kg                | \$26.69                     |
| Corn        | 56,834 plants                       | \$0.0015 plant            | \$85.25                     |
| Sunflowers  | 46,950 plants                       | \$0.0011 plant            | \$51.88                     |
| Peas        | 168 kg                              | \$0.26 /kg                | \$43.68                     |
| Lentils     | 45 kg                               | \$0.71 /kg                | \$31.95                     |
| Buckwheat   | 54 kg                               | \$0.51 /kg                | \$27.54                     |

**Fertilizer**

| <b>Price of Fertilizer</b> | <b><u>\$/lb</u></b> | <b><u>\$/kg</u></b> |
|----------------------------|---------------------|---------------------|
| Nitrogen                   | <b>\$0.270</b>      | \$0.60              |
| Phosphorus                 | <b>\$0.280</b>      | \$0.62              |
| Potash                     | <b>\$0.135</b>      | \$0.30              |
| Sulphur                    | <b>\$0.230</b>      | \$0.51              |

**Amount of Actual Pounds of Elements Applied Per Acre**

| <b>Crop</b> | <b>Nitrogen</b> |                | <b>Phosphorus</b> |                | <b>Potash</b> |                | <b>Sulphur</b> |                | <b>Total</b>   |
|-------------|-----------------|----------------|-------------------|----------------|---------------|----------------|----------------|----------------|----------------|
|             | <u>lbs</u>      | <u>\$/acre</u> | <u>lbs</u>        | <u>\$/acre</u> | <u>lbs</u>    | <u>\$/acre</u> | <u>lbs</u>     | <u>\$/acre</u> |                |
| Wheat       | <b>70</b>       | \$18.90        | <b>33</b>         | \$9.24         | <b>0</b>      | \$0.00         | <b>0</b>       | \$0.00         | <b>\$28.14</b> |
| Barley      | <b>70</b>       | \$18.90        | <b>33</b>         | \$9.24         | <b>0</b>      | \$0.00         | <b>0</b>       | \$0.00         | <b>\$28.14</b> |
| Canola      | <b>80</b>       | \$21.60        | <b>30</b>         | \$8.40         | <b>0</b>      | \$0.00         | <b>15</b>      | \$3.45         | <b>\$33.45</b> |
| Flaxseed    | <b>60</b>       | \$16.20        | <b>30</b>         | \$8.40         | <b>0</b>      | \$0.00         | <b>0</b>       | \$0.00         | <b>\$24.60</b> |
| Oats        | <b>65</b>       | \$17.55        | <b>30</b>         | \$8.40         | <b>0</b>      | \$0.00         | <b>0</b>       | \$0.00         | <b>\$25.95</b> |
| Corn        | <b>90</b>       | \$24.30        | <b>40</b>         | \$11.20        | <b>40</b>     | \$5.40         | <b>10</b>      | \$2.30         | <b>\$43.20</b> |
| Sunflowers  | <b>70</b>       | \$18.90        | <b>35</b>         | \$9.80         | <b>20</b>     | \$2.70         | <b>10</b>      | \$2.30         | <b>\$33.70</b> |
| Peas        | <b>0</b>        | \$0.00         | <b>30</b>         | \$8.40         | <b>30</b>     | \$4.05         | <b>15</b>      | \$3.45         | <b>\$15.90</b> |
| Lentils     | <b>0</b>        | \$0.00         | <b>35</b>         | \$9.80         | <b>30</b>     | \$4.05         | <b>15</b>      | \$3.45         | <b>\$17.30</b> |
| Buckwheat   | <b>55</b>       | \$14.85        | <b>35</b>         | \$9.80         | <b>30</b>     | \$4.05         | <b>0</b>       | \$0.00         | <b>\$28.70</b> |

**Amount of Actual Kilograms of Elements Applied Per Hectare**

| <b>Crop</b> | <b>Nitrogen</b> |              | <b>Phosphorus</b> |              | <b>Potash</b> |              | <b>Sulphur</b> |              | <b>Total</b>    |
|-------------|-----------------|--------------|-------------------|--------------|---------------|--------------|----------------|--------------|-----------------|
|             | <u>kg</u>       | <u>\$/ha</u> | <u>kg</u>         | <u>\$/ha</u> | <u>kg</u>     | <u>\$/ha</u> | <u>kg</u>      | <u>\$/ha</u> |                 |
| Wheat       | <b>78</b>       | \$46.80      | <b>37</b>         | \$22.94      | <b>0</b>      | \$0.00       | <b>0</b>       | \$0.00       | <b>\$69.74</b>  |
| Barley      | <b>78</b>       | \$46.80      | <b>37</b>         | \$22.94      | <b>0</b>      | \$0.00       | <b>0</b>       | \$0.00       | <b>\$69.74</b>  |
| Canola      | <b>90</b>       | \$54.00      | <b>34</b>         | \$21.08      | <b>0</b>      | \$0.00       | <b>17</b>      | \$8.67       | <b>\$83.75</b>  |
| Flaxseed    | <b>67</b>       | \$40.20      | <b>34</b>         | \$21.08      | <b>0</b>      | \$0.00       | <b>0</b>       | \$0.00       | <b>\$61.28</b>  |
| Oats        | <b>73</b>       | \$43.80      | <b>34</b>         | \$21.08      | <b>0</b>      | \$0.00       | <b>0</b>       | \$0.00       | <b>\$64.88</b>  |
| Corn        | <b>101</b>      | \$60.60      | <b>45</b>         | \$27.90      | <b>45</b>     | \$13.50      | <b>11</b>      | \$5.61       | <b>\$107.61</b> |
| Sunflowers  | <b>78</b>       | \$46.80      | <b>39</b>         | \$24.18      | <b>22</b>     | \$6.60       | <b>11</b>      | \$5.61       | <b>\$83.19</b>  |
| Peas        | <b>0</b>        | \$0.00       | <b>34</b>         | \$21.08      | <b>34</b>     | \$10.20      | <b>17</b>      | \$8.67       | <b>\$39.95</b>  |
| Lentils     | <b>0</b>        | \$0.00       | <b>39</b>         | \$24.18      | <b>34</b>     | \$10.20      | <b>17</b>      | \$8.67       | <b>\$43.05</b>  |
| Buckwheat   | <b>62</b>       | \$37.20      | <b>39</b>         | \$24.18      | <b>34</b>     | \$10.20      | <b>0</b>       | \$0.00       | <b>\$71.58</b>  |

Note: The nitrogen price used in the above assumptions is an average of the following sources: anhydrous, liquid and granular fertilizers. The fertilizer recommendation will vary depending on the soil type, climate and crop rotation.

### Chemicals Per Acre

| <u>Crop</u>   | <u>Weed<br/>Control<br/>\$/acre</u> | <u>Disease<br/>Control<br/>\$/acre</u> | <u>Insect<br/>Control<br/>\$/acre</u> | <u>Total<br/>Cost<br/>\$/acre</u> |
|---------------|-------------------------------------|----------------------------------------|---------------------------------------|-----------------------------------|
| Wheat         | \$23.50                             | \$8.50 <sup>2</sup>                    | \$10.50 <sup>1</sup>                  | \$32.00                           |
| Barley        | \$20.00                             | \$0.00                                 | \$0.00                                | \$20.00                           |
| Canola        | \$24.00                             | \$25.00                                | \$0.00                                | \$49.00                           |
| Flaxseed      | \$25.00                             | \$0.00                                 | \$0.00                                | \$25.00                           |
| Oats          | \$6.00                              | \$0.00                                 | \$0.00                                | \$6.00                            |
| Corn (Hybrid) | \$27.50                             | \$0.00                                 | \$0.00                                | \$27.50                           |
| Sunflowers    | \$40.00                             | \$0.00                                 | \$8.00                                | \$48.00                           |
| Peas          | \$26.00                             | \$15.00 <sup>1</sup>                   | \$0.00                                | \$26.00                           |
| Lentils       | \$26.00                             | \$25.00                                | \$0.00                                | \$51.00                           |
| Buckwheat     | \$20.00                             | \$0.00                                 | \$0.00                                | \$20.00                           |

### Per Hectare

| <u>Crop</u>   | <u>Weed<br/>Control<br/>\$/ha</u> | <u>Disease<br/>Control<br/>\$/ha</u> | <u>Insect<br/>Control<br/>\$/ha</u> | <u>Total<br/>\$/ha</u> |
|---------------|-----------------------------------|--------------------------------------|-------------------------------------|------------------------|
| Wheat         | \$58.07                           | \$21.00 <sup>2</sup>                 | \$25.95 <sup>1</sup>                | \$79.07                |
| Barley        | \$49.42                           | \$0.00                               | \$0.00                              | \$49.42                |
| Canola        | \$59.30                           | \$61.78                              | \$0.00                              | \$121.08               |
| Flaxseed      | \$61.78                           | \$0.00                               | \$0.00                              | \$61.78                |
| Oats          | \$14.83                           | \$0.00                               | \$0.00                              | \$14.83                |
| Corn (Hybrid) | \$67.95                           | \$0.00                               | \$0.00                              | \$67.95                |
| Sunflowers    | \$98.84                           | \$0.00                               | \$19.77                             | \$118.61               |
| Peas          | \$64.25                           | \$37.07 <sup>1</sup>                 | \$0.00                              | \$64.25                |
| Lentils       | \$64.25                           | \$61.78                              | \$0.00                              | \$126.03               |
| Buckwheat     | \$49.42                           | \$0.00                               | \$0.00                              | \$49.42                |

**Note:**

"1" Item not included in budget.

"2" half the acres treated.

**Fixed Costs**

|                   |         |
|-------------------|---------|
| Depreciation Rate | 10.0%   |
| Investment Rate   | 5.0%    |
| Hours per acre    | 1.5     |
| Cost per hr.      | \$10.00 |

**Per Acre**

| <u>Crop</u> | <u>Land Value</u><br><u>\$/acre</u> | <u>Land Cost</u><br><u>\$/acre</u> | <u>Machinery Investment</u><br><u>\$/acre</u> | <u>Machinery Depreciation</u><br><u>\$/acre</u> | <u>Machinery Investment</u><br><u>\$/acre</u> | <u>Storage</u><br><u>\$/acre</u> | <u>Labour</u><br><u>\$/acre</u> |
|-------------|-------------------------------------|------------------------------------|-----------------------------------------------|-------------------------------------------------|-----------------------------------------------|----------------------------------|---------------------------------|
| Wheat       | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Barley      | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Canola      | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Flaxseed    | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Oats        | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Corn        | \$650.00                            | \$32.50                            | \$250.00                                      | \$25.00                                         | \$12.50                                       | \$4.64                           | \$15.00                         |
| Sunflower   | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Peas        | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Lentils     | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |
| Buckwheat   | \$450.00                            | \$22.50                            | \$200.00                                      | \$20.00                                         | \$10.00                                       | \$2.32                           | \$15.00                         |

**Per Hectare**

| <u>Crop</u> | <u>Land Value</u><br><u>\$/ha</u> | <u>Land Cost</u><br><u>\$/ha</u> | <u>Machinery Investment</u><br><u>\$/ha</u> | <u>Machinery Depreciation</u><br><u>\$/ha</u> | <u>Machinery Investment</u><br><u>\$/ha</u> | <u>Storage</u><br><u>\$/ha</u> | <u>Labour</u><br><u>\$/ha</u> |
|-------------|-----------------------------------|----------------------------------|---------------------------------------------|-----------------------------------------------|---------------------------------------------|--------------------------------|-------------------------------|
| Wheat       | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Barley      | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Canola      | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Flaxseed    | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Oats        | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Corn        | \$1,606.00                        | \$80.31                          | \$617.76                                    | \$61.78                                       | \$30.89                                     | \$11.47                        | \$37.00                       |
| Sunflower   | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Peas        | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Lentils     | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |
| Buckwheat   | \$1,112.00                        | \$55.60                          | \$494.21                                    | \$49.42                                       | \$24.71                                     | \$5.73                         | \$37.00                       |

## Other Assumptions

**Fuel Costs:**

Includes fuel used for field work, trucking inputs and products out.

**Machinery Operating Costs:**

Includes costs for maintenance, repairs, licenses and insurance.

**Crop Insurance: (2000 rates. New rates for 2001 are not included.)**

Risk Area #6 at the 70% coverage on a "B" soil zone and additional hail insurance at \$100/acre coverage for wheat, barley, canola, flax and oats

Risk Area #11 at the 70% coverage on a "B" soil zone and additional hail insurance at \$100/acre coverage for sunflowers, peas, lentils, buckwheat and corn.

**Other Costs:**

Includes overhead expenses - hydro, telephone, accounting, buildings, supplies and insurance, etc.

**Land Taxes:**

The average for the province was based on land tax assessment and mill rates of a sample of municipalities growing crops less provincial tax rebate. Budget assumes \$6.00/acre (\$14.83/ha) except for corn which is normally grown on higher productive land where land taxes are estimated at \$8.00/acre (\$19.77/ha).

**Drying Costs:**

Budget allocates costs only for corn and sunflowers. However, drying costs may be incurred in some years for other crops.

**Interest On Operating:**

Interest charges on operating costs are calculated at 8.75% for six months.

**Land Investment Cost:**

Land values are based on average land sale values in Manitoba. Assumed 5% return on land investment.

**Depreciation:**

Assumed 10% on machinery, no salvage value.

**Investment Cost:**

Assumed 5% opportunity cost on the machinery.

**Storage Cost:**

Assumed a 5% depreciation cost and 5% investment cost.

Farm storage requirements were assumed to be 30 bushels/acre costing \$1/bushel for 75% of the storage and \$1.25/bushel for 25% aerated storage.

Storage requirements for corn were calculated at 60 bushels/acre.

Example - WheatNon-Aeration Bins (75%)

|               |                                       |   |        |
|---------------|---------------------------------------|---|--------|
| Depreciation: | $\frac{\$30 - \$3}{20 \text{ years}}$ | = | \$1.35 |
| Investment:   | $\frac{\$30 + \$3}{2} \times 5\%$     | = | \$0.83 |
| Sub-Total     | = \$2.18 x 75% = \$1.64               |   |        |

Aeration Bins (25%)

|               |                                             |   |        |
|---------------|---------------------------------------------|---|--------|
| Depreciation: | $\frac{\$37.50 - \$3.75}{20 \text{ years}}$ | = | \$1.69 |
| Investment:   | $\frac{\$37.50 + \$3.75}{2} \times 5\%$     | = | \$1.03 |
| Sub-Total     | = \$2.72 x 25% = \$0.68                     |   |        |
| <b>Total</b>  | <b>\$2.32</b>                               |   |        |

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